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Approved For Release 2003/03/28 : CIA-RDP79T00472A000600010006-9 83

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CENTRAL INTELLIGENCE AGENCY
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INTELLIGENCE MEMORANDUM

The Aftermath of the India-Pakistan War

1. The war in the Punjab drew to an indecisive close at 6:00 PM EDT on 22 September, leaving a tangle of loose ends that will probably require months--perhaps years--to unravel. The cease-fire reluctantly agreed to by both parties may have saved India and Pakistan from the economic and political chaos that would have beset them if fighting had continued another three to six months, but it leaves basic and pressing questions unsettled. The long-range stability of the subcontinent may well turn on the diplomatic and political manipulations of the next few months.

Major Diplomatic Problems

2. The most immediate problem will be to effect a disengagement of opposing forces. Pakistan has not accepted totally the UN cease-fire proposals, with their provision for a withdrawal to positions held prior to 5 August, but has merely agreed to stop shooting. Ayub has ordered his troops to remain in place for the present. The UN is dispatching a 100-man observer team to the Punjab, and is considering bolstering its observer group in Kashmir. Nevertheless, it took two months after firing stopped in the Rann of Kutch to arrange the withdrawal of forces, and the current situation could prove more difficult.

3. Working against an easy disengagement will be the same spiral of tactical considerations that escalated the crisis rapidly from the infiltration of Pakistani sponsored guerrillas on 5 August to large-scale warfare in the Punjab on 6 September. Thus, the Indians will not wish to withdraw in the Lahore

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and Sialkot areas until they are assured that the Pakistanis will pull out of the Chhamb-Akhnur sector of Kashmir. Rawalpindi will be reluctant to vacate the Chhamb area unless it can be assured that the Indians will fall back to the 1949 cease-fire line in the Uri-Poonch, Tithwal, and Kargil sectors of Kashmir. This, in turn, the Indians will not do as long as the infiltrators remain a problem. Finally, Pakistan may feel compelled to keep up the guerrilla raids--although continuing to deny its complicity--in order to maintain pressure for a Kashmir settlement.

4. With these conflicting considerations in play, and with both sides retaining significant military capacity, the net result may be simply an extension of the old and unstable Kashmir cease-fire arrangements but extended southward into the Punjab as far as Ferozepore.

5. A second major diplomatic problem is raised by the resurfacing of the Kashmir question. While the Pakistanis contained the numerically superior Indian forces, they were unable to muster the qualitative superiority necessary to bring the Indians to their knees. The conflict cost Pakistan heavily in terms of military hardware, and Ayub will only be able to justify the cost if it results in some progress on Kashmir. Failure to make progress would intensify Rawalpindi's frustration and could lead to highly irrational and probably anti-Western moves on the international scene. Foreign Minister Bhutto's indication before the Security Council that Pakistan will pull out of the UN if a Kashmir settlement is not reached reflects Rawalpindi's now-or-never mood.

6. Failure of Ayub's Kashmir bid could also gravely endanger Pakistan's internal security. The war has left the Pakistani populace in a highly emotional state, and there is reportedly strong sentiment among senior military officers favoring a continuation of the fight regardless of the costs and despite the lack of favorable prospects. The situation has not been helped by the government inspired news coverage of the war which left the populace with the clear feeling that Pakistan was winning. While Ayub may have lost some stature as a result of the cease-fire his position does not now appear to be threatened.

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SECRET

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Nevertheless, if it becomes clear that his major bid on Kashmir has fallen flat, coup plots could form, and at the least he might feel compelled toward irrational behavior.

7. Arguing against Ayub's replacement are his unique competence and the lack of any clear alternative to his leadership. His ouster would be undertaken only in a fit of extreme emotionalism and there is little chance that a stable and effective regime would follow. In the ensuing political confusion, pressures could arise in East Pakistan for secession from a West Pakistani-dominated union, although here again leadership is lacking.

8. New Delhi, on the other hand, appears to be well satisfied with the results of the undeclared war, and will be hard to budge from its refusal to talk seriously about Kashmir. While the toll in Indian personnel and equipment losses has been heavy, the Indians prevented Pakistan from scoring any major military successes. Moreover, relative to its total military assets, India's losses were probably far lighter than those suffered by Pakistan. The threat of Chinese involvement did not noticeably unnerve the Indians, and New Delhi probably feels that some of the stigma of military ineptitude that has hung over the Indians since the 1962 Chinese invasion has been erased.

9. The Shastri government has come through the crisis strengthened. Shastri's opponents, both within the Congress party and without, will find little to criticize in the cabinet's handling of the conflict. The fact that hostilities ended before serious economic dislocations were felt, and the remarkable absence of communal disorders, work to Shastri's advantage. It is doubtful, however, that Shastri and his close supporters will consider their positions sufficiently solid to permit them to enter into meaningful discussions on Kashmir even though they may privately see the importance of doing so.

10. The substance of each country's position on Kashmir remains unchanged. Pakistan insists upon a solution based on the will of the Kashmiri Muslims. This position is predicated upon the assumption--probably valid--that Kashmiris would choose Pakistan if the choice is limited to accession to one of the two

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SECRET

Approved For Release 2003/03/26 : CIA-RDP79T00472A000600010006-9

countries. Rawalpindi would be less than enthusiastic about offering a third choice, independence, which appears to be the real desire of the Kashmiri populace. Nevertheless, the Pakistanis would probably go along with such a solution as a means of removing the state from Indian control.

11. The Indians remain firm in their stand that Kashmir is an integral part of the Indian Union and cannot be bartered away. New Delhi considers the 1948 cease-fire provisions invalid because the required withdrawal of forces never occurred. The Indians also argue that three "free" state elections since 1949 have obviated the need for a plebiscite. The only settlement New Delhi would be prepared to consider at this time would be a permanent division of the state along the cease-fire line, possibly with minor adjustments to the line.

Political-Economic Considerations

12. Efforts to come to grips with the enormous problems facing the subcontinent must take into account the effects of even so short a war upon the political and economic positions of the two countries. Both India and Pakistan are engaged in major development programs, and the margin between success and failure in each case is very thin. India has, in fact, barely managed to keep its rate of productivity growth above the annual 2.5 percent population expansion. Pakistan has done better, partly by virtue of a development program more attuned to the realities of the situation than India's but largely because the per capita input of foreign aid is nearly double that of India.

13. Pakistan's military machine has been weakened by the struggle. With the threat from India as real as ever, Ayub will be under great pressure to rebuild his armed forces. Pakistan will almost certainly explore alternatives to the US MAP support upon which the army and air force are now almost exclusively dependent. Ayub is unlikely to receive military aid from the Soviet orbit, which gives first priority to India. Communist China has little to offer. In the absence of Western aid, Pakistan will therefore be forced to choose between military impotence and hard currency purchases. Foreign exchange expenditures for arms will reduce funds needed for Third Plan economic development programs,

SECRET

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SECRET

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and would probably meet with disapproval among Pakistan's aid donors. Any serious economic reverses in Pakistan would heighten the instability engendered by national frustration over Kashmir--an effect that could be most serious in densely populated East Pakistan.

14. Economic problems will also be severe in India, particularly in the area of food production and distribution, which has already been adversely affected by the recent fighting. Only the import of 6 - 7 million metric tons of grain annually--a shipload each day--saves some parts of India from severe famine. This condition is likely to persist and perhaps worsen unless agriculture and fertilizer targets go ahead on schedule. Even then the end to a dependence on imports is a long way off.

15. To meet this problem resources may have to be diverted from other projects, and the resulting slowdown in growth could contribute to political instability. New Delhi does not face major problems in rebuilding its armed might, since it can fall back on Soviet aid if Western support is not forthcoming. Nevertheless, the Indians may feel compelled to pour more resources into defense production, and may also decide to go forward with a nuclear weapons program.

International Considerations

16. The conflict has altered the framework of great power relationships with the subcontinent. In the case of Pakistan the forces tending to pull Rawalpindi simultaneously in two directions--toward the West and toward the neutralist East--have intensified. Popular sentiment in Pakistan is running heavily against the cease-fire, largely because as previously pointed out, government-inspired news coverage of the war left the strong impression that Pakistan was winning. Pakistanis who were already highly incensed at the US suspension of MAP aid are likely to blame what they consider to be an untimely cease-fire upon US pressure. The second postponement of the Western aid consortium pledging session may be seen as a bold power play. Even among those in the leadership elite who were aware that a Pakistani victory had become impossible and that the risks of defeat were

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SECRET

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increasing daily will share the conviction that Pakistan must win broader international support. This means continued Pakistani courtship of Communist China and Indonesia, whose support may not have amounted to much in material terms, but did serve to harass and worry the Indians. It also means a renewed effort to build up Pakistani stature among the non-aligned countries of Asia and Africa in hopes of displacing Indian influence. Pakistan feels that sentiment among these countries is strongly against India, and that India's attack across an international border toward Lahore reinforces Pakistan's position. Pakistan's alliance with the West continues to be an embarrassment in its efforts to cement relations with the non-aligned/Communist countries, however, and the tendency toward disengagement from the West will probably continue.

17. On the other hand, Pakistan's economic and defense problems have been intensified by the war, and only the West can effectively bail the country out. This is particularly true in the case of military aid. Ayub may also realize that the only powers capable of applying significant and concrete pressure upon the Indians over Kashmir are his Western allies. He will therefore probably undertake sufficient fence-mending in the West to ensure a reasonable level of economic and diplomatic support.

18. In India the net result of the short war is likely to be some deterioration in India's relations with the West. As in the Rann of Kutch crisis the Pakistani use of MAP supplied equipment has sparked criticism of the US. In contrast, the role of the USSR is considered to have been more favorable to India, despite Moscow's basically even-handed efforts to bring the war to an end. Indian satisfaction with the war effort will lessen New Delhi's susceptibility to Western pressures on Kashmir and Indian leaders may feel they are in a better position than ever to profit from Soviet rivalry with the West in aid-giving.

19. Indian emotional resolve to hold Kashmir has probably been strengthened by the open hostilities, and pressures from the West to reopen the Kashmir question will almost certainly meet with hostility in New Delhi.

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20. New Delhi would probably react initially to any attempt to use economic and military aid as levers in pushing toward a Kashmir settlement by asking for increased Soviet help or by resolving to absorb the sanctions without giving ground. The Indians probably see a suspension of PL-480 food imports as the only insurmountable penalty the West can impose, but doubt that this sensitive program with its humanitarian overtones will be touched.

21. Economic sanctions sufficiently severe to bring New Delhi around on Kashmir could therefore do irreparable damage to the Indian economy before they succeed, while leaving an enduring legacy of political instability and antipathy toward the West. In such a climate the USSR, and ultimately China, would find new opportunities.

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Approved For Release 2003/03/28 : CIA-RDP79T00472A000600010006-9